

## REMARKS

### **Rejections under 35 USC § 112**

Claim 1-9 have been amended to specify the steps in the single integrated process, and thus eliminating any perceived vagueness or indefiniteness.

### **Rejections under 35 USC § 101**

Claim 1 has been amended to clarify that the trusted third party interacts on a public computer network and an inter-bank network so it does involve the technological arts as amended. The examiner is also directed to *Ex parte Lundgren*, Appeal No. 2003-2088 (BPAI 2005), a published opinion, in which the Board found “that there is currently no judicially recognized separate “technological arts” test to determine patent eligible subject matter under § 101. We decline to create one”. An invention must still produce a useful, concrete and tangible result after *Lundgren*. The applicant respectfully maintains that his invention as originally submitted and certainly as amended produces a useful, concrete and tangible result, to wit, authenticating a payer and authorizing a proposed payment in a single integrated process conducted without the involvement of the merchant.

### **Rejections under 35 USC § 102(e)**

Claims 1 – 9 were rejected based upon 35 USC 102(e) based on Barbara (US 2002/0016769). Applicant believes that he is entitled to disqualify Barbara. Barbara is a patent publication based on serial number 09/903,284 filed on 7/11/2001. For a patent publication, a 102(e) rejection requires that “the invention was described in an application for patent, published under **section 122(b)**, by another filed in the United States before the invention by the applicant for patent” (see MPEP 2131). The applicant’s filing date is 1/29/2002 and he claims the benefit of his provisional application 60/304,819 also dated 7/11/2001. Therefore Barbara is not 102(e) prior art to the applicant since it was not filed before the filing date of the provisional application. The applicant asserts that his provisional application is completely enabling based on 35 USC 112 ¶ 1 as pertaining to claims 1-9, and it is recognized as a priority claim in PAIR. The

applicant is of the understanding that an affidavit swearing back of Barbara is not required since the claim is based on Applicant's Provisional Application. Allowance of claims 1-9 is therefore requested.

**Rejections under 35 USC § 102(e)**

In the alternative, if the disqualification of Barbara is deemed ineffective for any reason, applicant respectfully argues that claims 1-9 as amended are not anticipated by Barbara or prior art of which we are aware. Referring to claim 1 as amended, the prior art does not disclose the acts of:

- a) providing a trusted third party on line service which is accessible on the public computer network and which has access to an inter-bank computer network;
- b) the trusted third party on line service allowing a persistent channel to be established with the payer prior to completion of the purchase with the merchant wherein the persistent channel is a two way electronic communication with the trusted third party, which is different from the channel used to communicate with the merchant and which once opened is available for communication and verification until terminated;
- c) the trusted third party on line service obtaining a valid account number of the payer and authenticating the payer, which valid account number is in the standard syntax;
- d) the trusted third party on line service receiving the proposed payment submitted by the merchant;
- e) the trusted third party on line service verifying that the persistent channel with the payer remains available after receipt of the proposed payment;
- f) if the channel is not available, the trusted third party on line service issuing an instruction on the inter-bank network to decline the proposed payment with the merchant; and
- g) if the channel is available, the trusted third party on line service issuing an instruction on the inter-bank network to complete the proposed payment with the merchant from the valid account, whereby the payer is authenticated and the proposed payment is authorized, if at all, in a single integrated process conducted without the involvement of the merchant based on the persistent channel between the trusted third party on line service and the payer.

In particular, it is neither explicitly disclosed nor inherent in the prior art for a *third party* online service to authenticate the user, allow a persistent channel to be established with the user *before* completion of a purchase with the merchant, then to receive the purchase for approval after it is submitted by the merchant, and to approve or to decline the purchase based on whether or not the persistent channel *remains open* after the transaction. Barbara does not mention nor is it inherent that approval of the transaction involves a persistent channel with the third party wherein the persistent channel is a two way electronic communication with the trusted third party, which is different from the channel used to communicate with the merchant and which once opened is available for communication and verification until terminated. This claim is useful for a payer who has a prior relationship with the trusted third party online service, which trusted party is also the issuer of the valid account. This assures that when the merchant submits the proposed payment it is routed to the trusted third party. It provides additional security to the payer since his account number, even if stolen, is of no use unless the persistent channel is open and remains open during the transaction. Barbara describes contact with the third party as noted in the OA, but does not describe allowing a persistent channel to be opened and for the third party verifying that the persistent channel remains open as a condition for approval. "A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987).

Claim 2 provides that the standard syntax is the syntax used for credit and debit cards, and for the third party service examining the valid account number, and if the valid account number does not have the routing code of the trusted third party service (i.e., a card not issued by the third party service) to provide an alternate account number for the transaction comprising the routing code of the third party service. This provides for using the method to authenticate and authorize a proposed payment from a credit or debit account issued by any issuer. The credit or debit card syntax is *not* Barbara's Transaction Account number, since this account is an ordinary depository account (p 0059) which is not in the syntax of credit and debit cards. Barbara cannot accept any arbitrary credit or

debit card, but only that particular one which is linked to the Transaction Account. The applicant's method is distinguished from Barbara in that it can accept any arbitrary valid credit card.

Claims 3 – 8 depend from claim 1 or claim 2.

Regarding Claim 5 Barbara discloses the recipient of the funds contacting the third party by telephone, however the telephone is not used to establish a persistent channel with the payer as in the applicant's invention.

Regarding claim 6, Barbara's e-commerce transaction does not include a persistent channel as in the applicant's invention.

Regarding Claim 9, Barbara discloses use of email in his system, however does not disclose an instant message system as the persistent channel

Respectfully, the applicant has distinguished his invention from Barbara by amendment and argument. Barbara does not disclose each and every claim limitation of the applicant's invention. Allowance of claims 1 – 9 is respectfully requested.

Respectfully submitted,

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